GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4172
ANSWERED ON:19.04.2002
LOANS TO HANDLOOM WEAVERS
SURESH CHANDEL

Will the Minister of TEXTILES be pleased to state:

(a) the details of the schemes under which handloom weavers are provided loans;

(b) the measures taken by the Government to provide loans to the handloom weavers without facing any difficulties;

(c) the State-wise amount of loan given to the handloom weavers during the last three years year-wise;

(d) whether the weavers have to face a lot of problems in getting loan from the banks;

(e) if so, the details thereof; and

(f) the remedial measures taken in this regard?

Answer

MINISER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

(a) to (c) Government of India had introduced a scheme called `Project Package Scheme (PPS)` in which there was provision for giving loans to the beneficiary agencies. The scheme has now been merged with `Deen Dayal Hathkargha Protsahan Yojana (DDHPY)` from the year 2000-01 with provision for settling the committed liabilities towards the sanctioned projects even after its merger with DDHPY. A statement showing the amounts of loan released to various State Governments during the last three years is at Annexure-I.

Further, National Bank for Agriculture and Rural Development (NABARD) provides refinance support under investment credit (non-farm sector) to Commercial Banks, Regional Rural Banks, State Cooperative Banks, State Cooperative Agriculture and Rura Development Banks and Scheduled Primary (Urban) Cooperative Banks for financing handloom weavers, rural artisans and handicrafts etc. so as to promote integrated rural development. For this purpose, NABARD has evolved two broad schemes under Non-Farm Sector (NFS) investment credit, namely, Composite Loan Scheme and Integrated Loan Scheme to provide refinance in a simplified procedure on an automatic basis. Beyond automatic refinance facility, refinance is available under pre-sanction procedure. Assistance under these schemes is available for setting up of new units as well as for modernisation/renovation/expansion/diversification of existing units. The activities eligible for refinance under the schemes cover acquisition of looms, construction of worksheds, opening/renovation of emporia etc. Refinance is also provided to banks for the borrowers covered under various Government sponsored programmes. The various schemes are briefly discussed below:

i) Composite Loan Scheme:

Refinance upto Rs. 10 lakh is available on automatic basis for financing a wide range of manufacturing, processing and approved service sector activities including those in the handloom sector. The project components of the scheme include block and/or working capital requirements of the units.

ii) Integrated Loan Scheme:

Refinance under this scheme is available on automatic basis upto Rs. 15 lakh. The project component includes block capital and working capital for one operating cycle.

iii) Schemes under pre-sanction procedure:

Refinance facility is also available to Commercial Banks and State Cooperative Banks under pre-sanction procedure where the investment outlays are higher and beyond ARF (Automatic Refinance Facility) limits.

NABARD refinance assistance under Investment Credit is available to the eligible banks for the credit component under Deen Dayal Hathkargha Protsahan Yojana (DDHPY).

Apart from the aforesaid loan schemes, the requirement of the guarantee from the State Government was waived from 1.4.1997 for

providing refinance to State Cooperative Banks in respect of loans provided by them for financing PHWCS/Apex WCS for thei working capital requirements.

Ministry of Textiles, Government of India also identified 94 districts having concentration/potential for development of handlooms with a view to improving credit flow to handloom sector. The Cooperative Banks and commercial banks including Regional Rural Banks (RRBs) have been advised to accord priority to meet the credit needs of the sector particularly in the identified districts by making suitable provisions in their Service Area Credit plans.

The state-wise refinance limits sanctioned by NABARD to the State Cooperative Banks for financing Production, Procurement and Marketing of Weavers` Cooperative Societies and Purchase and Sale of Yarn by Apex/Regional Societies are shown in Annexure - II.

Disbursements under investment Credit in the Handloom sector for the years from 1998-99 to 2000-01 have been as given in Annexure - III.

(d) to (f) There has not been any report about weavers facing problems in getting loans from the banks.

ANNEXURE - I

Annexure - I referred to in reply to Parts (a) to (c) of Lok Sabha Unstarred Question No. 4172 due for answer on 19.04.2002.

(Rs. in lakh)

Sl.No	Name of the State	Year		
		1999-2000	2000-01	2001-02
1	Andhra Pradesh	50.00	249.11	7.28
2	Assam	208.57	256.57	0.00
3	Arunachal Pradesh	7.65	16.34	4.09
4	Bihar	2.25	3.25	0.00
5	Chhattisgarh	0.00	0.00	0.75
6	Gujarat	3.95	7.35	1.06
7	Haryana	0.00	0.00	0.00
8	Himachal Pradesh	5.90	5.75	3.80
9	Jammu & Kashmir	20.50	14.75	0.00
10	Karnataka	16.45	8.35	2.26
11	Kerala	13.65	113.22	129.75
12	Manipur	24.90	119.40	2.84
13	Maharashtra	1.88	46.71	0.00
14	Madhya Pradesh	2.65	5.87	0.15
15	Nagaland	42.59	73.66	0.00
16	Orissa	18.66	1.38	0.00
17	Punjab	2.20	3.40	0.00
18	Rajasthan	92.99	0.00	0.00
19	Tamil Nadu	17.90	21.81	2.70
20	Tripura	5.25	4.54	0.00
21	Uttar Pradesh	52.85	194.45	0.00
22	West Bengal	7.35	54.11	0.00
	Total	598.14	1200.01	154.68

ANNEXURE - II

Annexure - II referred to in reply to Parts (a) to (c) of Lok Sabha Unstarred Question No. 4172 due for answer on 19.04.2002.

(Rs. in crore)

Sl. No	Name of State Cooperative Bank	Production, Procurement and Marketing of Weavers Societies			Purchase and sale of Yarn by Apex/Regional Societies		
		1999-2000	2000-01	2001-02	99-2000	2000-01	2001-02

		(upto 28.02.2002)	(upto 28.02.2002)			
1	Andhra Pradesh	78.53	35.28	9.28	1.55	0.00 0.00
2	Gujarat	1.00	1.00	1.00	0.00	0.00 0.00
3	Karnataka	3.09	1.76	4.54	0.00	0.00 0.00
4	Kerala	47.52	53.68	45.79	0.92	0.85 0.85
5	Madhya Pradesh	10.81	10.90	4.42	0.43	0.40 0.00
6	Maharashtra	0.36	0.00	0.00	0.00	0.00 0.00
7	Orissa	63.28	21.78	25.81	2.00	0.00 0.00
8	Pondicherry	4.35	4.84	5.00	0.00	0.00 0.00
9	Tamil Nadu	507.34	491.40	497.18	10.00	10.00 11.00
10	West Bengal	70.24	65.65	59.51	7.00	7.79 8.02
	Total	786.52	686.29	652.53	21.90	19.04 19.87

ANNEXURE - III

Annexure - III referred to in reply to Parts (a) to (c) of Lok Sabha Unstarred Question No. 4172 due for answer on 19.04.2002.

(Rs. in lakh)

Sl. No	Name of the State	1998-99	1999-2000	2000-01
1	Andhra Pradesh	42.00	64.00	105.00
2	Arunachal Pradesh	4.00	2.00	0.00
3	Assam	17.00	4.00	18.00
4	Bihar	0.00	0.00	1.00
5	Gujarat	10.00	22.00	10.00
6	Haryana	22.00	12.00	5.00
7	Himachal Pradesh	17.00	163.00	0.00
8	Karnataka	31.00	40.00	35.00
9	Kerala	20.00	11.00	21.00
10	Madhya Pradesh	5.00	0.00	1.00
11	Maharashtra	1.00	1.00	7.00
12	Orissa	19.00	98.00	87.00
13	Punjab	42.00	27.00	54.00
14	Rajasthan	16.00	18.00	0.00
15	Tamil Nadu	226.00	115.00	581.00
16	Uttar Pradesh	82.00	195.00	158.00
17	West Bengal	49.00	15.00	110.00
	Total :	603.00	787.00	1193.00